



Closeout Toolkit: Hazard Mitigation Grant Program Subaward Closeout FAQs

Background

Pursuant to [Title 2 of the Code of Federal Regulations \(CFR\) Section 200.343, Closeout](#), the Federal Emergency Management Agency (FEMA) will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity.

In order to close out the Federal award, all subawards must be closed. This document answers common questions about FEMA’s subaward closeout process and highlights the roles and responsibilities of FEMA and the Recipient during closeout. The regulations referenced in 2 CFR, Part 200 apply to HMGP awards made under disaster declarations, authorized by the [Robert T. Stafford Act Disaster Relief and Emergency Assistance Act, as amended](#), on or after December 26, 2014. Prior to that date, applicable FEMA regulations at 44 CFR Part 13 and Office of Management and Budget Circulars apply.

What Is Subaward Closeout?

Subaward closeout is the process by which the Recipient and FEMA verify that a subaward scope of work has been completed as approved and that all reimbursed costs were eligible.

What Are the Roles and Responsibilities for Subaward Closeout?

The Recipient has primary responsibility for the closeout tasks associated with both the program and subrecipient requirements. The Recipient must conduct final inspections for projects, reconcile subrecipient expenditures, resolve negative audit findings, obtain final reports from subrecipients, and reconcile the closeout activities of subrecipients with HMGP grant award requirements (44 CFR Section 207.8(d)). These activities must all be done within the grant’s period of performance.

FEMA advises the Recipient of the closeout requirements through the FEMA-State Agreement, award letter, and the Hazard Mitigation Assistance (HMA) Guidance. The Recipient submits closeout requests to FEMA for review and concurrence. If FEMA does not concur with a closeout request, FEMA advises the Recipient of the reason for nonconcurrence and requests the additional information needed to resolve the issue(s). If the requested information is not submitted, FEMA may disallow costs.

FEMA reviews all closeout documentation for compliance and may send the Recipient a request for additional supporting documentation, if needed.

When Does the Subaward Closeout Process Begin?

The subaward closeout process begins when all tasks of the project funded by a subaward are complete. The Recipient must submit a request for closeout within 90 days of subaward completion.

What Documents Are Needed for Subaward Closeout?

The Recipient's subaward closeout request must include the following at a minimum:

- As required by 44 CFR 206.438(d), the Recipient will submit a letter signed by the Governor's Authorized Representative or equivalent certifying that:
 - The reported costs were incurred in the performance of eligible work
 - The approved work was completed and the mitigation measure is in compliance with the provisions of the FEMA-State Agreement
- A final site inspection report that includes photographs of the completed project
- Final project costs, including Federal share, non-Federal share, administrative allowance (if applicable), and cost underruns and overruns
- Geospatial coordinates
- Certification and documentation to confirm that the project was completed in compliance with all environmental requirements and building codes, and all required permits have been submitted, and certification that the project meets National Flood Insurance Program insurance requirements (if applicable)
- Other supporting documents included in the HMGP Closeout Checklist required by FEMA to close the different mitigation project types

What Is the Process for Subaward Closeout?

1. Upon completion of each subaward, the Recipient submits a closeout request to FEMA.
2. FEMA reviews the closeout request to verify the approved mitigation measure is in compliance with all requirements associated with the subaward. FEMA uses the HMGP Closeout Checklist to verify that the minimum requirements are met. However, some projects may require additional information that is not included in the checklist.
 - All correspondence (electronic or otherwise) related to project closeout, including requests for additional information, should be maintained in the project file.
3. If FEMA does not concur with the closeout request, FEMA advises the Recipient of the reason(s) for nonconcurrency and requests additional information and/or explains the corrective actions needed to resolve the noncompliance issues. If the requested information is not submitted, FEMA may disallow costs.
4. Once FEMA concurs that the closeout request meets all applicable requirements, FEMA closes the subaward in the National Emergency Management Information System (NEMIS), Closeout Module.
5. A subaward is officially closed when FEMA approves the request and sends a closeout letter to the Recipient confirming the final Federal expenditures for the subaward.

What Is the Statute of Limitations on Disallowed Costs after Closeout?

As specified in Section 705 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, unless there is evidence of civil or criminal fraud, no administrative action to recover any payment made to a Recipient for disaster or emergency assistance under this Act will be initiated in any form after 3 years of the date of transmission of the final expenditure report for the disaster or emergency.

Can Closeout Be Initiated if There Is a Bill for Collections?

Yes, there is no legal objection to closing a subaward for which the Recipient has outstanding debts, as long as there is an established debt. However, FEMA's closure of the subaward does not negate the Recipient's responsibility to pay the debt. Any pending debt noted in the Bill for Collections should be included in the FEMA closeout letter.

What Actions Will Be Taken if the Recipient Does Not Comply with Closeout Requirements?

If a Recipient materially fails to comply with any terms of an award, the Recipient will be subject to 2 CFR Section 200.338 remedies for noncompliance. These remedies include, but are not limited to, temporarily withholding cash payments, wholly or partly suspending or terminating the Federal award, or withholding further awards for the program.

What Are the Audit Requirements?

A non-Federal entity receiving Federal awards must comply with the audit requirements in 2 CFR Section 200.501. A non-Federal entity that expends \$750,000 or more in Federal awards during a fiscal year must have a single or program-specific audit conducted for that year.

What Are the File Retention Requirements?

The non-Federal entity must maintain the complete closeout records file for at least 3 years from the submission of the final expenditure in accordance with 2 CFR Section 200.333.

Are Other Resources Available to Assist with Closeout?

In addition to this document, the HMGP Closeout Toolkit includes:

- HMGP Closeout Checklist for Subawards
- Management Costs Closeout Frequently Asked Questions